

## Message Text

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ORIGIN EUR-12

INFO OCT-01 SS-15 TRSE-00 DODE-00 CIAE-00 PM-03 INR-07

L-02 ACDA-05 NSAE-00 PA-01 RSC-01 PRS-01 SP-02

USIA-06 SAJ-01 NSC-05 ISO-00 /062 R

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DRAFTED BY EUR/WE:EJBEIGEL:L/EUR:DHSMALL:VE

APPROVED BY EURJGLOWENSTEIN

EUR/RPM:EREHFELD

EUR/WECWHMARSH

C:NTERRELL

TREASURY: MBRADFIELD

S/S:WHLUERS

DFGC:JALLEN

OSD/ISACLOYD

----- 113346

R 302243Z JAN 75

FM SECSTATE WASHDC

TO AMEMBASSY PARIS

INFO USMISSION NATO

C O N F I D E N T I A L STATE 022122

E.O. 11652: GDS

TAGS: PFOR, MILI, FR

SUBJECT: FRELOC SETTLEMENT

REF: STATE 8367

1. FURTHER TO PARA 3 OF REFTTEL, WE HAVE NOW WORKED OUT THE TEXT OF A SUPPLEMENTARY EXCHANGE OF LETTERS TO ESTABLISH AGREEMENT ON THE MODALITIES OF PAYMENT BY FRANCE, WHICH WOULD INDICATE THAT A PORTION OF THE FUNDS WE RECEIVE WILL PROBABLY GO INTO A SEPARATE TREASURY ACCOUNT IN PARIS FOR RETRANSFER TO FULFILL OUR REIMBURSEMENT OBLIGATION TO NATO. THE TEXT OF THIS PROPOSED DRAFT IS SET FORTH AT PARA 3 BELOW. THE TREASURY WOULD AT THE APPROPRIATE TIME ARRANGE  
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WITH THE FRENCH REGARDING THE DESIGNATION OF ACCOUNTS INTO

WHICH THE FRENCH PAYMENTS COULD BE MADE.

2. WE ARE HERewith PROVIDING THE SUPPLEMENTARY TEXT TO THE EMBASSY BUT IT SHOULD BE HELD UNTIL SUCH TIME AS THE FRENCH HAVE COMPLETED THEIR INTER-MINISTERIAL CLEARANCE OF THE BASIC EXCHANGE OF NOTES TABLED WITH THEM ON JANUARY 14. ONCE THE BASIC QUESTIONS IN THAT EXCHANGE ARE RESOLVED, IT WOULD BE AN EASIER MATTER TO SUBMIT THE SUPPLEMENTARY EXCHANGE FOR FRENCH CONSIDERATION. THE SUPPLEMENTARY EXCHANGE WOULD BE PUBLISHED IN THE TIAS AS PART OF THE FRELOC SETTLEMENT AGREEMENT.

3. THE TEXT OF THE OPERATIVE PORTION OF THE SUPPLEMENTARY EXCHANGE OF LETTERS IS AS FOLLOWS: QUOTE IN CONNECTION WITH THE EXCHANGE OF NOTES OF TODAY'S DATE REGARDING THE KINANCIAL SETTLEMENT RELATING TO THE REMOVAL OF U.S. MILITARY PERSONNEL, SUPPLIES AND EQUIPMENT FROM FRANCE, IT IS UNDERSTOOD THAT A PORTION OF EACH INSTALLMENT HAS BEEN COMMITTED BY THE UNITED STATES TO OTHER COUNTRIES PURSUANT TO AN AGREEMENT BETWEEN THEM RELATING TO THE COSTS OF U.S. MILITARY RELOCATION AND THAT PORTION IS TO BE RECEIVED BY THE UNITED STATES ON BEHALF OF THOSE COUNTRIES. ACCORDINGLY, THE AMOUNTS AND MODALITIES FOR PAYMENT INVOLVED WILL BE COMMUNICATED TO THE GOVERNMENT OF FRANCE PRIOR TO THE DUE DATE OF THE FIRST INSTALLMENT. IF THIS IS ACCEPTABLE TO THE GOVERNMENT OF FRANCE, I WOULD PROPOSE THAT THIS LETTER AND YOUR REPLY TO T AT EFFECT CONSTITUTE A PART OF THE AGREEMENT BEING CONCLUDED TODAY. UNQUOTE.

4. IN VIEW OF FUNDS ADVANCED BY OTHER NATO ALLIES TO DEFRAY SOME OF U.S. RELOCATION COSTS AND U.S. COMMITMENT TO REIMBURSE OUT OF PROCEEDS OF ANY U.S. RECOVERY FROM FRANCE, THOSE NATO ALLIES HAVE BEEN ASSIGNED A RIGHT TO A PORTION OF THE PROCEEDS. WE APPRECIATE THAT FJANCE NOT PARTY TO THIS ARRANGEMENT. HOWEVER, IN ORDER FOR THIS COMMITMENT TO BE FULFILLED AS ENVISAGED, I.E., OUT OF THOSE PARTICULAR FUNDS, AND FOR APPROPRIATE ACCOUNTS TO BE ESTABLISHED, IT IS HIGHLY DESIRABLE TO HAVE THIS SITUATION REFLECTED IN THE ARRANGEMENT WITH FRANCE PURSUANT TO WHICH

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THE PAYMENTS WILL COME INTO U.S. POSSESSION.

5. FOR FURTHER BACKGROUND, WE HAVE MADE SIMILAR ARRANGEMENTS WITH JAPAN (TO PAY OFF OKINAWA CLAIMS FROM JAPANESE OURLAYS TO US) AND GERMANY (TO PAY OFF U.S. SERVICEMEN FOLLOWING BANKRUPTCY OF AN INSURANCE COMPANY). KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LITIGATION, FRELOC CLAIMS, BALANCE OF PAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** buchantr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Executive Order:** GS  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 8367  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchantr  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FRELOC SETTLEMENT  
**TAGS:** PFOR, MILI, FR  
**To:** PARIS  
**Type:** TE  
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